



DIVISION OF REGULATORY SERVICES

DEPARTMENT OF AGRICULTURE AND FOOD

Regulatory Services: Intent Language

S.B. 5 Nonlapsing Request (\$1,242,100, 15% of total budget)

Under the terms of 63J-I-603 of the Utah Code, the Legislature intends that appropriations provided for Regulatory Services in Item 52, Chapter 3, Laws of Utah 2020, shall not lapse at the close of FY 2021.

Expenditures of General Fund are limited to:

- Computer Equipment/Software \$292,100;
- Employee Training/Incentives \$51,700;
- Equipment/Supplies \$162,600;
- Special Projects/Studies \$235,700.

Expenditures of Dedicated Credits are limited to: \$500,000 for laboratory equipment for the fuel, metrology, and chemistry laboratories, as well as replacement and repair of a large-scale truck.


Regulatory Services: Funding Requests

Request		Funding Source	FY 2021 (One-time)	FY 2022 (One-time)	FY 2022 (Ongoing)
1	Egg Poultry Grading Staff (2 FTE)	Dedicated Credits	\$98,000		\$98,000
2	Weights and Measures Interns (1.5 FTE)	General Fund	\$106,300		\$106,300
3	Food Safety Management System Upgrades	Dedicated Credits	\$100,000		\$50,000

Regulatory Services Budget Issues: Fee Changes

Regulatory Services Proposed Fee Changes

- The division is requesting an increase of **\$1,910,400** in fees, but historically no data provided for what fee services costs are, nor actuals for revenues and quantities.
- Division does report that newly proposed fees are to free up general fund for other priorities and are based on actual costs of service.
- The subcommittee could consider reallocating General Fund up to \$1.9 million for other priorities.



UTAH STATE LEGISLATURE
2020 INTERIM

LEGISLATIVE FISCAL ANALYST
STAFF: LACEY MOORE AND IVAN DIAMONOV

REVIEW OF AGENCIES
FEE DATA FOR ACCURACY (YEAR 5)
ISSUE BRIEF

The purpose of this report is to evaluate the availability and reliability of fee data provided by the agencies of the Natural Resources, Agriculture, and Environmental Quality Appropriation Subcommittee. The subcommittee has requested the Office of the Legislative Fiscal Analyst to assess how well each entity is able to calculate the revenue collected from each fee, and how much it costs the entity to administer that fee. This report does not evaluate how appropriate each fee amount is.

In this fifth consecutive annual report, our evaluation of the FY 2020 data submitted by the agencies indicates that minimal progress has been made in improving the quality of the fee data. We recommend:

1. The fee entities continue to improve their fee data by using existing resources available in the state FINET system.
2. The subcommittee consider excluding entities from this exercise if they collect less than \$200,000 in fee revenue and this amount is 1% or less of their total budget.
3. The Department of Agriculture and Food report to the subcommittee during the first part of the 2021 General Session on their specific plans and implementation timeline for improving the quality of their fee data.

Background

In 2016, the subcommittee began work to better understand the fees which are administered by the agencies under their purview. The [first report examined](#) how fees were determined, which fees generated the most revenue, and if fees cover the cost of services provided. The conclusion was that the fee data provided by agencies was not reliable or sufficient for the Legislature to use in decision-making. Subsequent reports can be found here: [2017](#), [2018](#), and [2019-a](#) and [2019-b](#).

The subcommittee has directed agencies' leadership to make concerted efforts to collect actual data, and where that is not yet possible, to use a sound methodology to estimate the revenues and the costs for each fee. During the 2018 General Session, the subcommittee passed a motion requesting of agencies "to continue to refine their data for fee revenues and costs, so that it will be accurate and reliable source for decision-making. Each entity should report their progress to the subcommittee annually, and the Office of the Legislative Fiscal Analyst should provide evaluation of the data."

Fiscal Year 2020 Fee Data Evaluation

Our review of the FY 2020 data submitted by the fee agencies included the following questions:

1. Does the fee data seem accurate?
 - Is the data on fee revenues accurate?
 - Is the data on costs to administer each fee accurate?
2. Are the explanations for the difference between revenue and cost adequate?
3. Should the entity continue to improve and report fee data?

The review of the FY 2020 data indicates that:

- Minimal progress has been made since the previous report;
- The Department of Agriculture and Food continues to lack notable improvement; and
- Agencies are not fully utilizing resources available in the state finance system for tracking fee revenue and cost data.

Although available to each of the agencies, it seems that only few are utilizing the state's FINET system (either fully, or at all) to assign cost codes to aimed at capturing fee-related activities. The Department of Environmental Quality (DEQ) is the only agency that appears to be making a conscious effort to use the resources available in the state

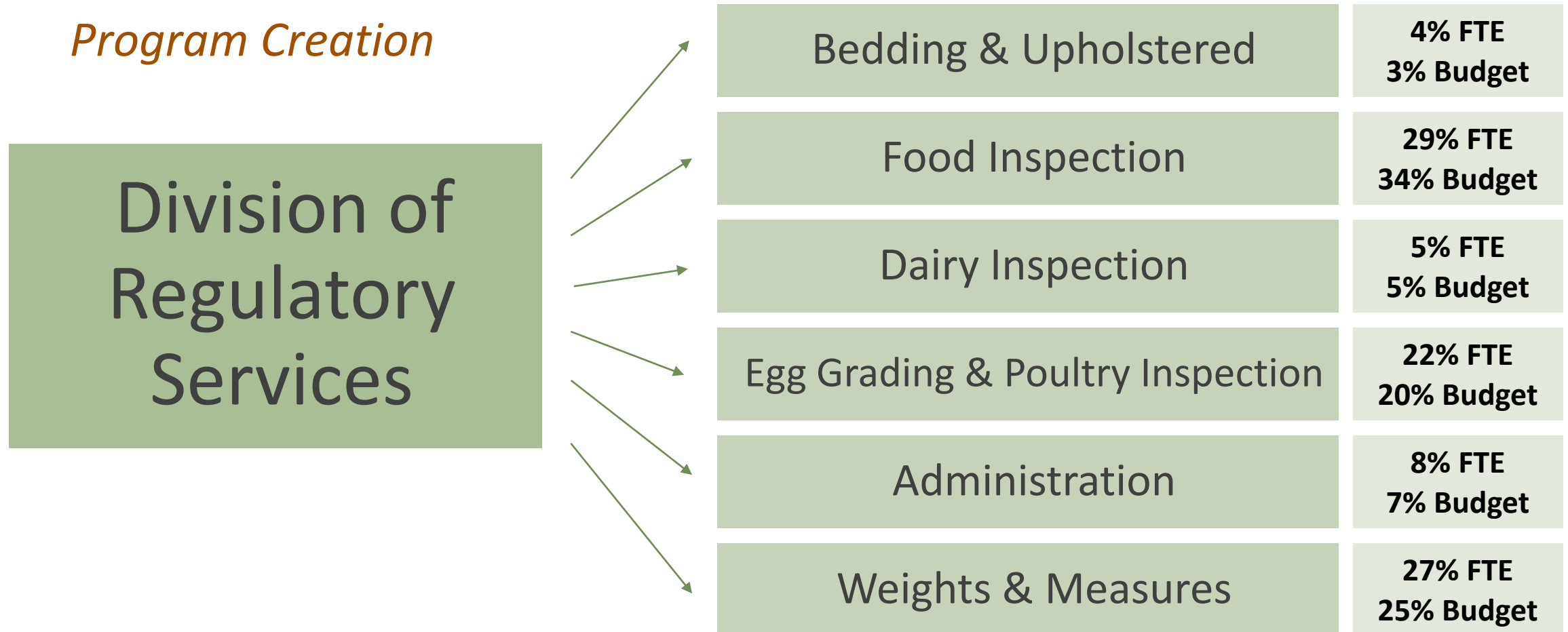
Regulatory Services: Recommendations

	Recommendation	Funding Source	FY 2021 (One-time)	FY 2022 (One-time)	FY 2022 (Ongoing)
1	UDAF Internal Auditor	General Fund			(\$65,000)
2	Cost of Service Fee Schedule	Dedicated Credits			\$765,000
3	Cost of Service Fee Schedule	General Fund			(\$700,000)
4	Inspector Retention Program	General Fund			\$350,000



Regulatory Services: Recommendations

Program Creation





DIVISION OF MARKETING AND DEVELOPMENT

DEPARTMENT OF AGRICULTURE AND FOOD

Marketing & Development: Fee Changes

Fee Name	Old Fee	New Fee	Estimated Revenue Change
Utah's Own Year-One Membership	\$25	\$75	\$1,600
Utah's Own Annual Membership	\$50	\$60	\$3,500

Marketing & Development: Funding Requests

	Request	Funding Source	FY 2022 (One-time)
1	Utah's Own Funding	General Fund	20,000

Utah's Own Subsidy					
Encourage program to collect fees that cover cost of administration.					
Show: Statewide Marketing and Development					
S5 this item is part of a Special Session.					
Financing Source		Request	Priority	S.B. 5001	Funded
General Fund	One-time	\$0	\$0	\$0	\$0
	Ongoing	\$-20,000	\$0	\$-20,000	\$-20,000
Total	One-time	\$0	\$0	\$0	\$0
	Ongoing	\$-20,000	\$0	\$-20,000	\$-20,000

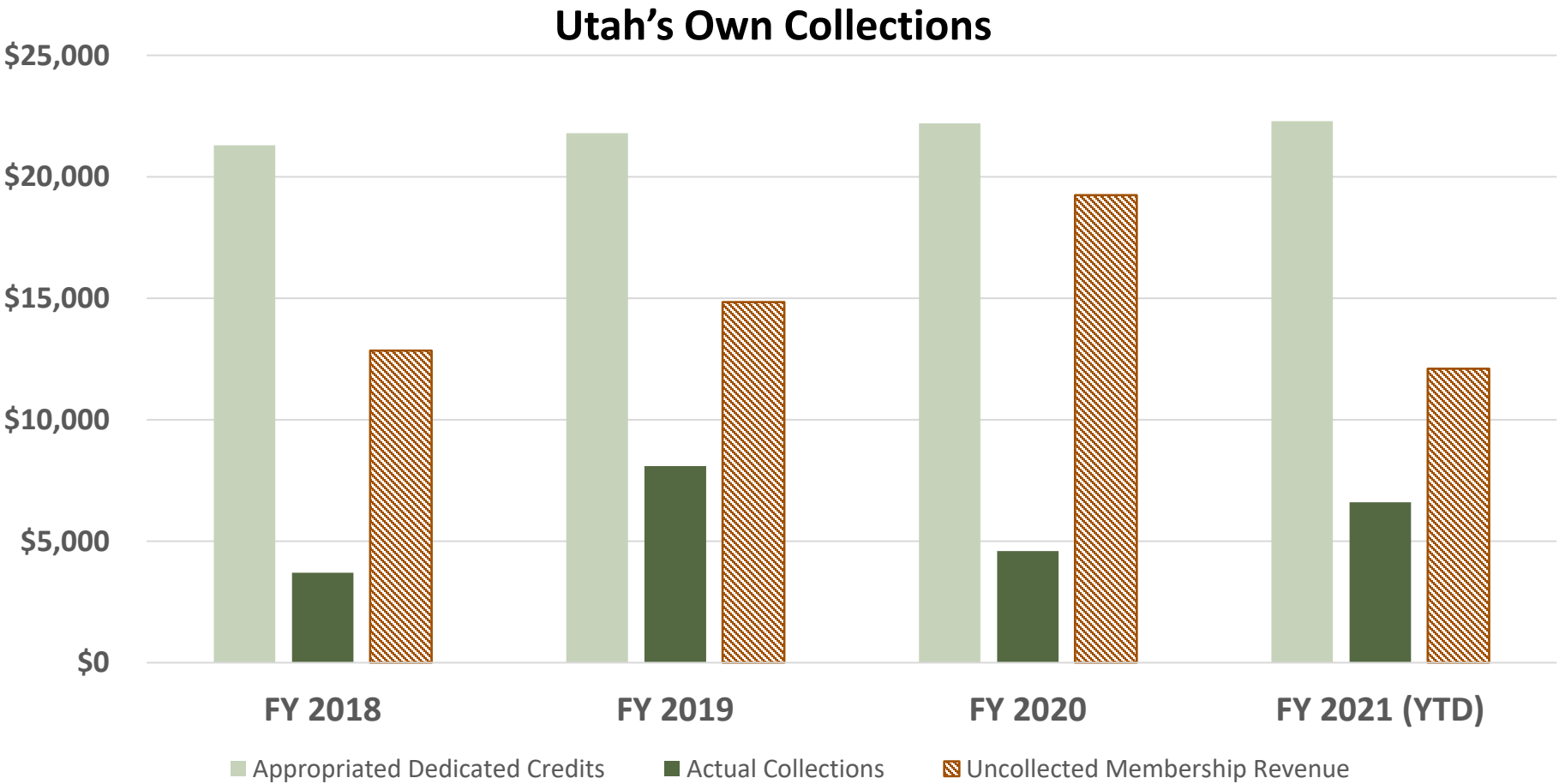
Priority
One-time:
Ongoing:

Marketing & Development: Budget Issues

Avg. Number Unpaid Memberships	Newly Proposed Fee	Estimated Available Revenue
295	\$60	\$17,715

	FY 2018	FY 2019	FY 2020	FY 2021 (YTD)
Paid Members	94	112	59	146
Unpaid Members	257	297	385	242
Total Utah's Own Profiles Published	351	409	444	388

Marketing & Development: Budget Issues



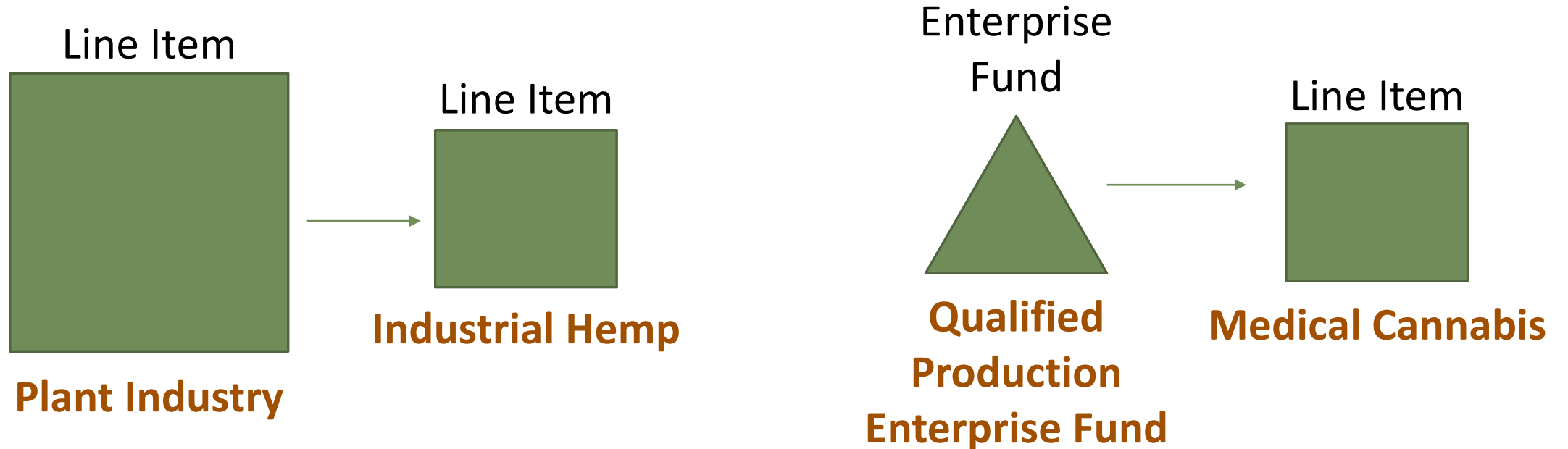


INDUSTRIAL HEMP & MEDICAL CANNABIS PROGRAMS

DEPARTMENT OF AGRICULTURE AND FOOD

Industrial Hemp & Medical Cannabis

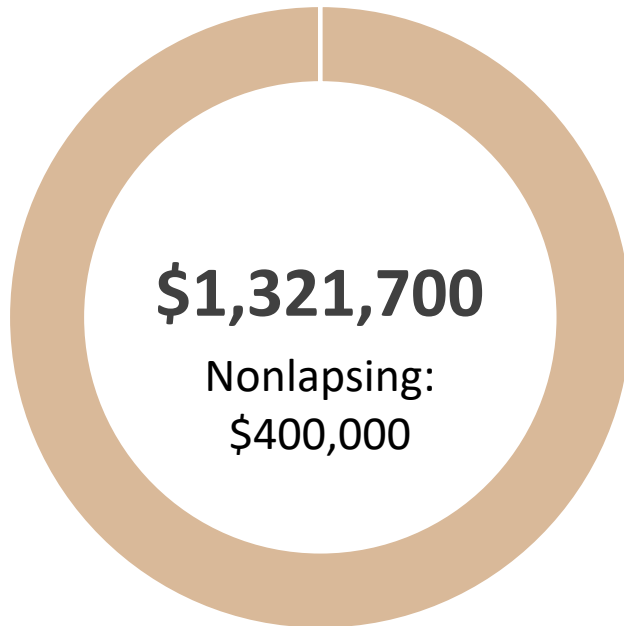
Line-Item Creation General Session 2020



Industrial Hemp & Medical Cannabis

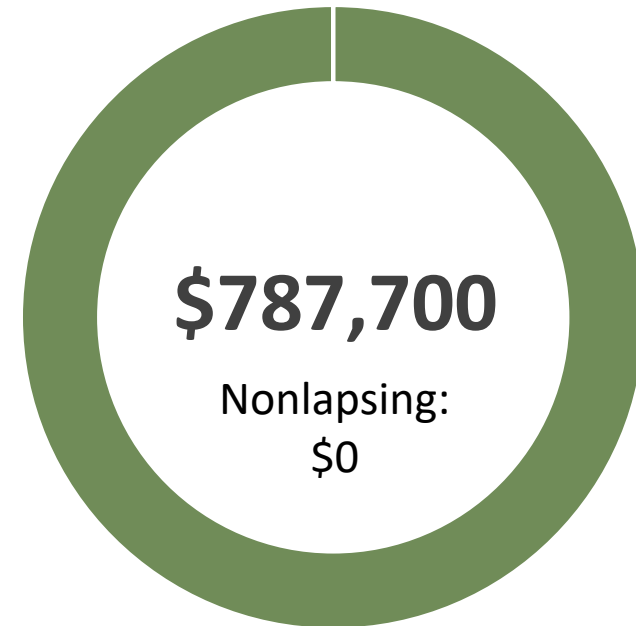
Base Budgets

Industrial Hemp



■ Dedicated Credits

Medical Cannabis



■ Qualified Production Enterprise Fund

Industrial Hemp & Medical Cannabis

Requests and Current Funding

	Industrial Hemp Request	Funding Source	FY 2021 (One-time)	FY 2022 (One-time)	FY 2022 (Ongoing)
1	Industrial Hemp Vehicles	Dedicated Credits	\$70,000		\$20,000
2	UDAF Laboratory Admin Assistant	Dedicated Credits			\$37,500
3	UDAF Litigation Attorney	Dedicated Credits	\$20,000		\$20,000

Industrial Hemp & Medical Cannabis

Requests and Current Funding

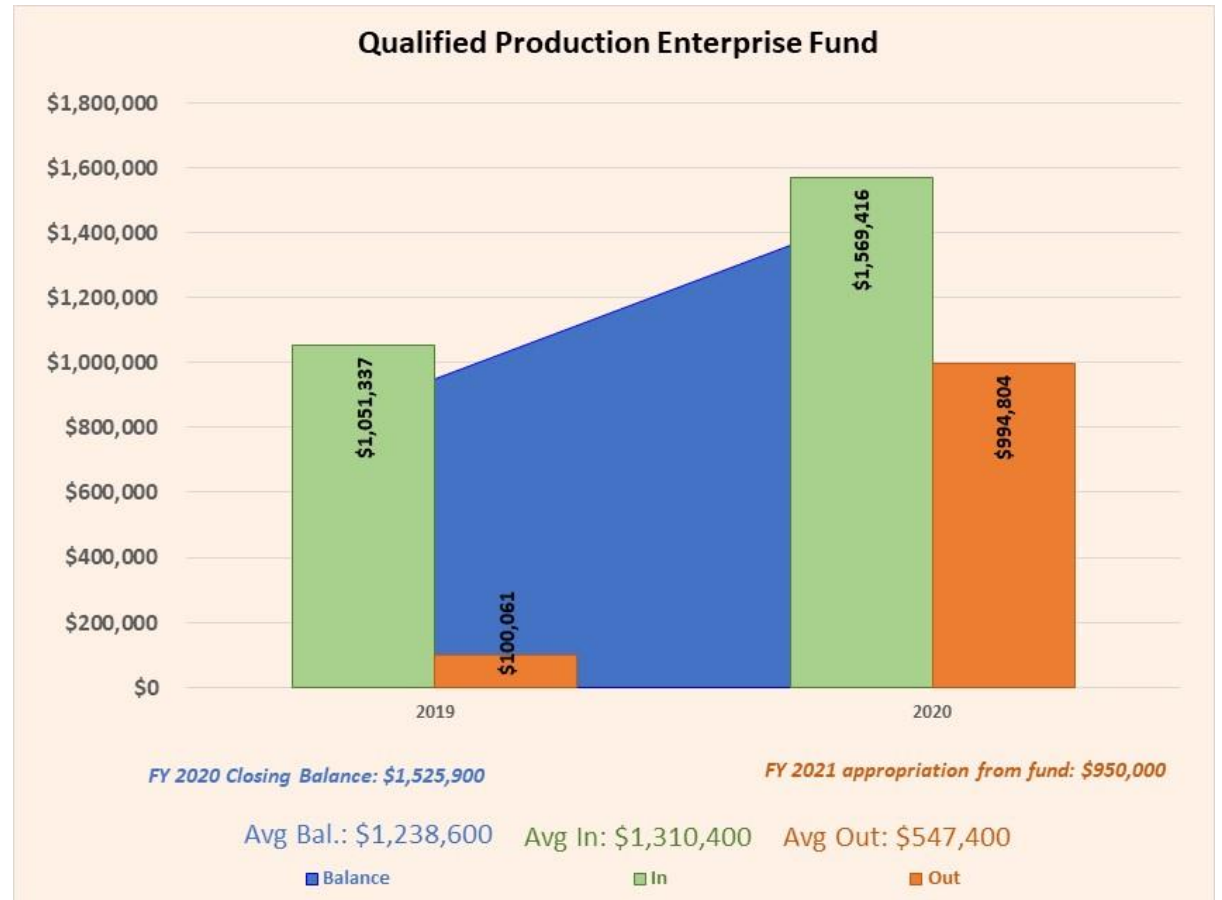
	Medical Cannabis Request	Funding Source	FY 2021 (One-time)	FY 2022 (One-time)	FY 2022 (Ongoing)
1	Medical Cannabis Appropriation	Enterprise Fund	\$500,000		\$350,000
2	Medical Cannabis Database Enhancements	Enterprise Fund	\$250,000		
3	Medical Cannabis Sampling Technicians & Vehicles	Enterprise Fund	\$90,000		\$140,000
4	Purchase Laboratory Equipment	Enterprise Fund	\$302,000		
5	UDAF Litigation Attorney	Enterprise Fund	\$40,000		\$40,000
6	UDAF Laboratory Admin Assistant	Enterprise Fund			\$37,500
7	UDAF Laboratory Expendable Revenue Account	Enterprise Fund			\$500,000

Industrial Hemp & Medical Cannabis

Medical Cannabis Funding

4-41a-104

- The department may only use money in the fund to fund the department's implementation of this Cannabis Production Establishments Act.
- The department shall set fees authorized under the Cannabis Production Establishments Act in amounts that the department anticipates are necessary, in total, to cover the department's cost to implement the act.



Industrial Hemp & Medical Cannabis

FTEs and Vehicle Requests

Program	Number of Vehicles	Total	Per Vehicle	Funding Source	Type	Make/Model
Predator Control	2	\$ 90,000	\$ 45,000	General Fund	Truck - Heavy Duty	Ford F350 or Equivalent
Medical Cannabis	6	\$ 222,000	\$ 37,000	Dedicated Credits	Truck - Midsize	Toyota Tacoma or Equivalent
Industrial Hemp	2	\$ 74,000	\$ 37,000	Dedicated Credits	Truck - Midsize	Toyota Tacoma or Equivalent
Animal Health	1	\$ 37,000	\$ 37,000	General Fund	Truck - Midsize	Toyota Tacoma or Equivalent
Meat Inspection	3	\$ 111,000	\$ 37,000	General Fund	Truck - Midsize	Toyota Tacoma or Equivalent
Regulatory Services	1	\$ 200,000	\$ 200,000	Dedicated Credits	Truck - Heavy Duty	Ford F350 or Equivalent

Industrial Hemp & Medical Cannabis

FTEs and Vehicle Requests

Name	Title	Vehicle Assigned	Medical Cannabis	Industrial Hemp
Cody James	Program Manager	Y	68%	32%
Miles Maynes	Inspector, Compliance Specialist, Program Specialist	Y	48%	52%
Leslie McFarlane	Program Support Specialist	Y	100%	0%
Timothy Dyreng	Compliance Specialist	Y	12%	88%
Michael Lee	Compliance Specialist	Y	38%	62%
Megan Gyongyosi	Compliance Specialist	N	100%	0%
Shaylee Hook	Office Specialist	N	0%	100%
Devan West	Office Technician	N	0%	100%
Brandon Forsyth	Chemist/Microbiologist, State Chemist	Y	100%	0%
Amber King	Chemist/Microbiologist	N	100%	0%
Cameron Cheyne	Chemist/Microbiologist	N	100%	0%
Paula Azbury	Office Specialist	N	4%	96%
Kasey King	Compliance Specialist	Y	9%	91%
Kelly Pehrson	Deputy Commissioner	N	50%	50%
Delia Tracey	Executive Secretary	N	55%	45%

UDAF Vehicle Audit (Div. of Fleet Operations)

Under Utilized Vehicles

The Division of Fleet Operations identified 34 vehicles that could potentially be used in motor-pool(s) or used in place of expanding the UDAF fleet.

Audit Recommendation:

Before a new vehicle is requested of the Legislature, UDAF should look at the current batch of underutilized vehicles to see if they would meet their needs.

2020 UDAF FLEET AUDIT



12/15/2020

A report on the UDAF fleet of vehicles' overall functioning and recommendations to increase utilization and avoid unnecessary costs.

UDAF Vehicle Audit (Div. of Fleet Operations)

Maximum Reimbursement

Employee	Division	Mileage Claimed	Dollars Reimbursed	Per Mile Rate	Rate (High or Low)	# of Pay Periods POV Submitted
1	DAG ANI BRAND INSPECTION SECT	18,868	\$10,840.84	\$0.57	High	22
2	DAG ANI BRAND INSPECTION SECT	16,788	\$9,704.95	\$0.58	High	14
3	DAG ANI BRAND INSPECTION SECT	14,502	\$8,340.52	\$0.58	High	22
4	DAG ANI BRAND INSPECTION SECT	13,321	\$7,595.39	\$0.57	High	10
5	DAG ANI BRAND INSPECTION SECT	12,313	\$7,073.42	\$0.57	High	19
6	DAG ANI BRAND INSPECTION SECT	11,269	\$6,468.08	\$0.57	High	18
7	DAG ANI BRAND INSPECTION SECT	9,895	\$5,673.86	\$0.57	High	21
8	DAG ANI BRAND INSPECTION SECT	7,514	\$4,313.12	\$0.57	High	19
9	DAG ANI BRAND INSPECTION SECT	7,002	\$4,042.28	\$0.58	High	14
10	DAG ANI BRAND INSPECTION SECT	6,612	\$3,771.31	\$0.57	High	11
11	DAG ANI BRAND INSPECTION SECT	4,927	\$2,826.56	\$0.57	High	17
12	DAG ANI BRAND INSPECTION SECT	4,910	\$2,818.20	\$0.57	High	15
13	DAG ANI BRAND INSPECTION SECT	4,666	\$2,678.23	\$0.57	High	12
14	DAG CON SOIL CONS PROGRAM	3,962	\$2,279.89	\$0.58	High	12